



General Assembly

January Session, 2007

Raised Bill No. 7003

LCO No. 3718

03718_____BA_

Referred to Committee on Banks

Introduced by:
(BA)

AN ACT CONCERNING THE EMERGENCY MORTGAGE ASSISTANCE PROGRAM.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (4) of section 8-265cc of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2007*):

4 (4) "Mortgagee" means the original lender under a mortgage, or its
5 successors, [who agrees to participate in the program established
6 pursuant to sections 8-265cc to 8-265kk, inclusive,] or an assignee of a
7 mortgage. [who agrees to participate in the program;]

8 Sec. 2. Subsection (b) of section 8-265dd of the general statutes is
9 repealed and the following is substituted in lieu thereof (*Effective*
10 *October 1, 2007*):

11 (b) Notwithstanding any provision of the general statutes or any
12 rule of law to the contrary, on and after [the date a mortgagee agrees to
13 participation in the program established pursuant to sections 8-265cc
14 to 8-265kk, inclusive] October 1, 2007, no judgment of strict foreclosure

15 nor any judgment ordering a foreclosure sale shall be entered in any
16 action instituted by the mortgagee to foreclose a mortgage commenced
17 on or after such date, for the foreclosure of an eligible mortgage unless
18 (1) notice to the mortgagor has been given by the mortgagee in
19 accordance with section 8-265ee, as amended by this act, and the time
20 for response has expired, and (2) a determination has been made on
21 the mortgagor's application for emergency mortgage assistance
22 payments in accordance with section 8-265ff or the applicable time
23 periods set forth in said sections 8-265cc to 8-265kk, inclusive, have
24 expired, whichever is earlier. For purposes of this section and sections
25 8-265ee to 8-265kk, inclusive, as amended by this act, an "eligible
26 mortgage" is a mortgage which satisfies the standards contained in
27 subdivisions (1), (3), (8) and (10) to (13), inclusive, of subsection (d) of
28 section 8-265ff.

29 Sec. 3. Subsection (a) of section 8-265ee of the general statutes is
30 repealed and the following is substituted in lieu thereof (*Effective*
31 *October 1, 2007*):

32 (a) On or after [the date a mortgagee files an agreement to
33 participate in the program established pursuant to sections 8-265cc to
34 8-265kk, inclusive] October 1, 2007, the mortgagee who desires to
35 foreclose upon a mortgage which satisfies the standards contained in
36 subdivisions (1), (3), (10), (11) and (12) of section 8-265ff, shall give
37 notice to the mortgagor by registered, or certified mail, postage
38 prepaid at the address of the property which is secured by the
39 mortgage. No such mortgagee may commence a foreclosure of a
40 mortgage prior to mailing such notice. Such notice shall advise the
41 mortgagor of his delinquency or other default under the mortgage and
42 shall state that the mortgagor has thirty days from the date of such
43 notice in which to (1) have a face-to-face meeting or telephone
44 conference with the mortgagee or a face-to-face meeting with a
45 consumer credit counseling agency to attempt to resolve the
46 delinquency or default by restructuring the loan payment schedule or
47 otherwise, and (2) to contact the authority, at an address and phone

48 number contained in the notice, to obtain information and apply for
49 emergency mortgage assistance payments if the mortgagor and
50 mortgagee are unable to resolve the delinquency or default.

51 Sec. 4. Subsection (d) of section 8-265hh of the general statutes is
52 repealed and the following is substituted in lieu thereof (*Effective*
53 *October 1, 2007*):

54 (d) All moneys received by the authority from mortgagors for
55 repayment of emergency mortgage assistance payments shall be paid
56 to the authority, deposited in such funds or accounts as the authority
57 may establish from time to time for such purpose and [paid by the
58 authority to the State Treasurer and deposited into the General Fund]
59 be used solely for the purposes of the program established pursuant to
60 sections 8-265cc to 8-265kk, inclusive, as amended by this act.

61 Sec. 5. (*Effective July 1, 2007*) (a) For the purposes described in
62 subsection (b) of this section, the State Bond Commission shall have
63 the power, from time to time, to authorize the issuance of bonds of the
64 state in one or more series and in principal amounts not exceeding in
65 the aggregate five million dollars.

66 (b) The proceeds of the sale of said bonds, to the extent of the
67 amount stated in subsection (a) of this section, shall be used by the
68 Department of Economic and Community Development for the
69 purpose of the Emergency Mortgage Assistance Program.

70 (c) All provisions of section 3-20 of the general statutes, or the
71 exercise of any right or power granted thereby, which are not
72 inconsistent with the provisions of this section are hereby adopted and
73 shall apply to all bonds authorized by the State Bond Commission
74 pursuant to this section, and temporary notes in anticipation of the
75 money to be derived from the sale of any such bonds so authorized
76 may be issued in accordance with said section 3-20 and from time to
77 time renewed. Such bonds shall mature at such time or times not
78 exceeding twenty years from their respective dates as may be provided

79 in or pursuant to the resolution or resolutions of the State Bond
80 Commission authorizing such bonds. None of said bonds shall be
81 authorized except upon a finding by the State Bond Commission that
82 there has been filed with it a request for such authorization which is
83 signed by or on behalf of the Secretary of the Office of Policy and
84 Management and states such terms and conditions as said commission,
85 in its discretion, may require. Said bonds issued pursuant to this
86 section shall be general obligations of the state and the full faith and
87 credit of the state of Connecticut are pledged for the payment of the
88 principal of and interest on said bonds as the same become due, and
89 accordingly and as part of the contract of the state with the holders of
90 said bonds, appropriation of all amounts necessary for punctual
91 payment of such principal and interest is hereby made, and the State
92 Treasurer shall pay such principal and interest as the same become
93 due.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2007</i>	8-265cc(4)
Sec. 2	<i>October 1, 2007</i>	8-265dd(b)
Sec. 3	<i>October 1, 2007</i>	8-265ee(a)
Sec. 4	<i>October 1, 2007</i>	8-265hh(d)
Sec. 5	<i>July 1, 2007</i>	New section

Statement of Purpose:

To require banks to participate in the Emergency Mortgage Assistance Program; to require that moneys received for the repayment of emergency mortgage assistance payments be used solely for the purposes of said program; and to provide funding for said program in the amount of five million dollars.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]